

**FROM GROWTH TO RETRENCHMENT?
A Perspective on the Development of the Scottish Office
to the 1980s⁽¹⁾**

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I INTRODUCTION

From the 1880s to the mid-1970s, numbers of staff in the Scottish Office roughly doubled every twenty years. From the later 1970s to the mid-1980s, the Scottish Office entered a climate of attempts at retrenchment in public spending and employment. How did a bureaucracy with nearly a century of continuous growth behind it respond to such a change in its environment?

This paper explores the development of the Scottish Office from that perspective. Its method is to track changes in the readily-measurable characteristics of Scottish departments, from documentary and other 'unobtrusive' sources. It extends into over-time analysis an earlier study which explored whether the Scottish Office in the late 1970s could be demonstrated to have features measurably distinctive from 'Whitehall', or the remainder of UK central government departments.⁽²⁾

This paper is in two broad parts, exploring the background of long-term growth and the foreground of attempts at retrenchment. In the next section, we therefore present a brief sketch of the development of the

Scottish central bureaucracy since the Scottish Office was founded a century ago. Over so long a period, we can only use relatively 'gross' indices, and those in a pretty 'broad brush' treatment, for we are limited to data that are available in a roughly consistent form over the whole of that time. In the section after that (Section III), we come to the era of attempted retrenchment in the 1970s and 1980s to date, and compare in finer detail the way in which the Scottish Office and its component departments changed over that time, in relation to developments in 'Whitehall'. A few concluding remarks are offered in the final section.

II THE BACKGROUND : LONG-TERM GROWTH OF SCOTTISH CENTRAL BUREAUCRACY⁽³⁾

When the Scottish Office was created in 1885, it did not move into uninhabited territory. Apart from UK or GB-wide departments with offices in Scotland, a traditional administrative apparatus already existed, in the shape of the Lord Advocate's Department, the Exchequer Office, the offices surrounding the law courts, the Registrar-General's Office, the Department of the Registers, and the National Gallery of Scotland (in possession of an annuity dating from the Treaty of Union). This group of small departments, which we can loosely term the 'eighteenth-century' bureaucracy of Scotland, has remained more or less separate from the Scottish Office to this day; and since 1885 this group has been augmented by the National Library of Scotland, the National Museum of Antiquities and the Scottish Record Office (formerly part of the Department of the Registers). We shall call this set of departments the 'independents'.

Beside this group, there were a number of autonomous central boards and departments for Scotland (not necessarily *in* Scotland), many of them paralleling Irish agencies, which have subsequently become part of the Scottish Office. In 1885 there were the Fishery Board (DAFS), the Lunacy Commission (SHHD), the Board of Supervision for the Relief of the Poor and for Public Health (SHHD), the Prison Commissioners (SHHD) and the Scotch Education Department (SED); to which were later added the Crofters Commission (DAFS), the Local Government Board (SDD), the Board of Agriculture (DAFS), the Highlands and Islands Medical Service Board (SHHD) and the Scottish Board of Health (SHHD). We shall call this group of departments, which existed as distinct departments or boards in or for Scotland prior to their incorporation in the Scottish Office, the 'kernel' departments. In 1885 the Scotch Education Department (with its HQ in London and its schools inspectorate in Edinburgh) dwarfed the rest of this group in terms of the budget which it controlled; and the Prison Commissioners dwarfed the rest in terms of numbers of staff employed.

TABLE 1

Indicators of Growth in Scottish Central Bureaucracy, 1885-6 to 1984-5.

Year	'Kernel' Scottish Office Departments ¹		'Independent' Scottish Departments ²			
	Total staff ³	Gross budget estimates as % UK civil	Gross Budget estimates as % UK civil	Total staff	Gross Budget estimates as % Sc. kernel	% of budget on staff salaries
1885-6	583	2.6	0.74	n.a. ³	28.9	64.6
1895-6	660	3.8	0.63	n.a. ³	16.6	70.0
1905-6	790	4.0	0.35	n.a. ³	9.1	86.0
1915-6	1290	3.2	0.21	n.a. ³	6.7	84.2
1925-6	1989	3.4	0.09	n.a. ³	2.9	86.5
1935-6	2332	4.4	0.06	838	1.4	85.5
1945-6	3653	3.9	0.05	1005	1.4	86.9
1955-6	5449	4.2	0.02	1018	0.6	83.5
1965-6	7422	6.4	0.03	1457	0.5	80.9
1975-6	9869	7.3	0.03	2537	0.5	74.1
1984-5	10583	6.7	0.06	3487	1.0	55.2

Source: Budget Estimates.

¹ Those department now forming part of the Scottish Office which existed prior to their incorporation in SO as distinct departments/boards in or for Scotland (Prison Commissioners/Prisons Dept., Lunacy Commission/General Board of Control, Fishery Board, Local Government Board, Scottish Education Department, Board of Agriculture, Scottish Board of Health, Highlands and Islands Medical Service Board, Crofters Commission (1886-1911), Board of Supervision for the Relief of the Poor and for Public Health).

² Those departments not forming part of the SO but existing as distinct departments, boards in or for Scotland (OLTR/KLTR, Lord Lyon Office, Exchequer Office, Lord Advocate's Dept., Procurator Fiscal Service, Pensions Appeal Tribunals, Scottish Law Commission, Crown Office, Signet Office, Clerk of Admission of Notaries, Scottish Courts Administration, General Register Office, Department of the Registers, National Gallery Scotland, National Library of Scotland, National Museum of Antiquities, Scottish Record Office).

³ Figures for staff numbers employed in the Procurator Fiscal Service were not published in budget estimates for these years.

⁴ This includes prison staff and staff of the state mental hospital, but excludes staff of the Common Health Services Agency (covering ambulance, blood transfusion and other health services supplied on a Scotland-wide basis); the staff involved are paid directly from SHHD's budget and the numbers involved are considerable (over 4,500 in 1984/5), but staff numbers are not detailed in budget estimates throughout the period taken here.

The development of the two groups of departments, the 'independent' departments and the 'kernel' departments later absorbed into the Scottish Office, has taken rather different paths over the century.

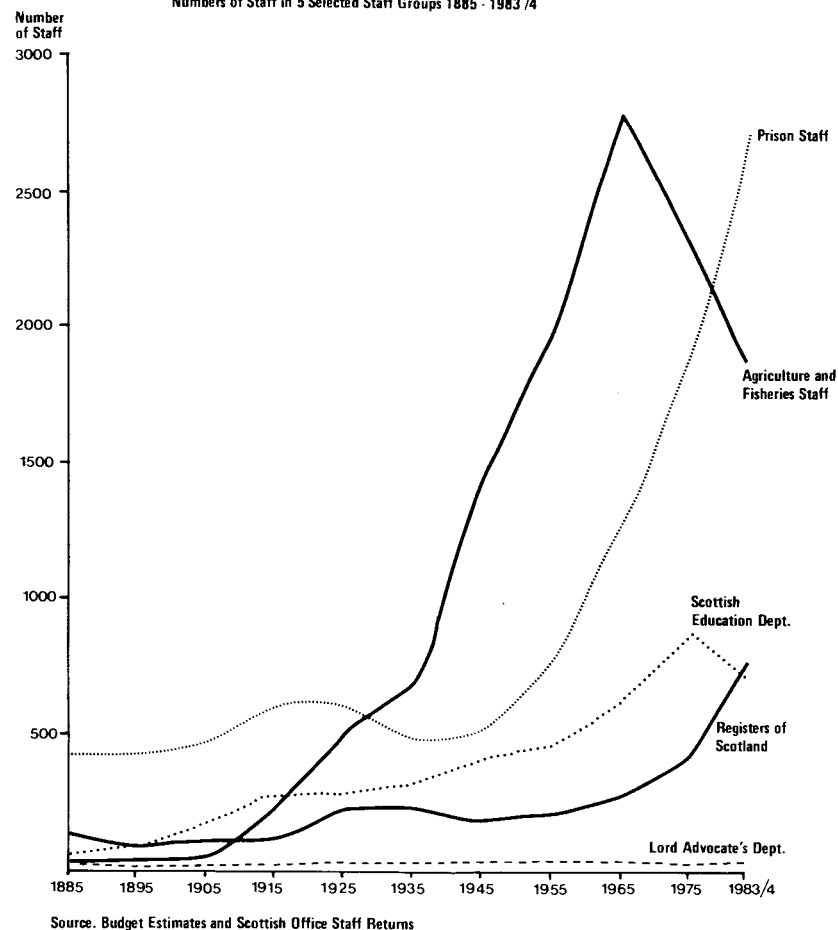
Let us take the Scottish Office group to start with. Several commentators on the growth of the Scottish Office⁽⁴⁾ have emphasized the way that it has eaten into what was formerly the administrative territory of UK or GB ministries, while yielding very little of its own territory. Such a process of transfer of functions, taking place over a long period, might be expected to show up in an increased 'share of the cake' going to the Scottish departments (whatever kind of 'cake' it may be), and a rise in the place of the Scottish Office in the 'pecking order' of central government departments. The same supposition might be drawn from the oft-noted progression of the Scottish Secretary from the status of a minister sometimes excluded from a Cabinet seat to one assured of a Cabinet seat from 1892 and of senior Cabinet rank from 1926⁽⁵⁾.

This expectation is certainly confirmed in relation to spending power. If we express the budgetary estimates of the 'kernel' Scottish Office departments as a proportion of the UK Civil Estimates (that is, excluding military spending, which presents complications owing to open-ended military estimates during war periods), there is a noticeable and steady growth in the proportion over the century up to the mid-1970s. In 1885 this group of departments accounted for less than 3 per cent of UK gross estimated (civil) spending, and though there were falls in both World Wars, the proportion had more than doubled by the 1960s and nearly trebled by the mid-1970s. The proportion fell back somewhat in 1984-5; but there is no doubt that the Scottish Office 'share of the cake', in terms of spending, has grown significantly over the past century.

If we turn from budget to the other major measurable resource of government bureaucracies – manpower – the picture is rather different. Numbers of staff in the 'kernel' departments certainly grew steadily for most of the century – in fact, they doubled approximately every twenty years from 1885 to 1975, describing a 'natural growth' curve of remarkable elegance until the late 1970s, when numbers flattened out and began to fall back a little. But if we express the numbers as a proportion of total UK civil servants, as best we can, the Scottish Office departments' share of the cake show a less steady expansion. There is no consistent run of comparable figures for total UK civil servants from 1885 to date, so the comparison can only be rough-and-ready. But from what figures are available, it would appear that, up until World War II, the Scottish Office was running to keep still, in the sense that staff growth in the Scottish Office kernel departments no more than kept pace with the general growth in numbers of civil servants in the UK. Their staff comprised roughly 0.6 per cent of the UK total in the 1890s, and this proportion did not rise (and even fell) until the 1960s, rising to approximately 1 per cent in 1984-5.⁽⁶⁾ Now a rise of 0.4 per cent on rough-

FIGURE 1 GROWTH TRAJECTORIES

Numbers of Staff in 5 Selected Staff Groups 1885 - 1983/4



and-ready figures of this type is not exactly a difference that you can measure with a foot-rule. We conclude that any acceleration of staff growth in the Scottish Office kernel departments, in relation to the UK civil service as a whole, appears to be very slight; to the extent that it has taken place at all, it is a phenomenon only of recent years, not of the century as a whole.

Take these two histories together (spending and staff numbers), and it is clear that the Scottish Office departments nowadays utilize their budgets on things other than paying bureaucrats, compared with their early days. They have increasingly adopted a 'money-moving' style of operation, spending money on grants and contracts, rather than themselves employing staff to carry out operations directly. In 1885, the kernel Scottish Office departments collectively spent over 11 per cent of their gross budget on staff salaries; that figure fell fairly steadily over the subsequent century, to about 2 per cent in 1984-5. This, however, does not make the Scottish Office distinctive in its pattern of development: it reflects an overall UK trend towards 'chequebook government'.

While all the kernel Scottish Office departments have grown in staff and spending over the century, in the aggregate and individually, that growth has by no means been uniform among the component departments, with each retaining its original share of the overall expansion. Markedly differential growth has occurred, as can be seen for staff numbers in five selected units (three 'kernel', two 'independent') in Figure 1, and the same is true of spending. Take, for example, the two dominant elements among the kernel departments in 1885: the prisons administration and the SED. Prisons accounted for over threequarters of the staff numbers in this group of departments in 1885 and nearly 15 per cent of spending; by 1984/5, prison staff were just a quarter of the whole, and spending on prisons about 1 per cent. For SED the picture is less clear-cut. Its share of the spending of the group rose from 65 per cent in 1885 to 91 per cent in 1905, but then fell to below 50 per cent by 1945. Subsequently, the development of block grants to local authorities took the bulk of the direct funding of local authority schools out of SED's hands, leaving it, by 1984/5, with about 4 per cent of the spending of the Scottish Office group of departments. Similarly, SED staff numbers rose from 10 per cent of the group total in 1885 to 22 per cent in 1915, but fell back subsequently, ending up as a rather smaller proportion than it had been in 1885. Plainly, there is no simple 'proportional growth law' in operation here, to explain the increase in size of these bureaucracies.

Turning to the other group of Scottish departments, which we called the 'independents': over the bulk of the period since 1885, the picture (in contrast to that for the 'kernel' departments) is one of stagnation and relative decline, in both budget and staff numbers, whether measured against the rest of the Scottish departments or against the UK total. As can be seen from Table 1, some degree of recovery took place for this group

between 1975-6 and 1984-5, with a 37 per cent increase in staff and an increase in budgetary shares. (The growth points in the group were the Department of the Registers, where a new land registration system meant a doubling in staff numbers, and the Procurator Fiscal service and Scottish Courts Administration, reflecting increased emphasis on 'law and order' activities since 1979.) But in the overall period between 1885 and 1984-5, the budgets of the 'independent' group as a proportion of UK gross (civil) estimates fell from 0.74 per cent to 0.06 per cent; and as against the budgets of the 'kernel' Scottish Office departments, fell from nearly 29 per cent to 1 per cent. There is no complete record of staff numbers for the 'independent' group until the 1930s (Procurators Fiscal and Sheriff Court staffs were not enumerated in the regular civil service style until then); but what can be said with certainty is that in 1885 the staff of the 'independent' Scottish departments together amounted to at least half of the total of the kernel Scottish Office departments (and in all probability considerably more than half), whereas by 1984/5 the proportion had fallen to less than a third. Figure 1 includes an example of a department from this group (the Lord Advocate's Department) which has not grown at all in absolute staff numbers over a century.

As Table 1 shows, the 'independent' Scottish departments seem to be coming late to the shift towards a 'money-moving' style of operation. Although the percentage drop in the proportion of gross budget spent on officials' salaries between 1885 and 1984 is exactly the same for the 'kernel' Scottish Office departments and the independents, most of the change to a more money-moving style for the latter group comes in a sudden drop between 1975-6 and 1984-5 rather than in a steady change over decades; indeed the proportion of budget spent on staff salaries for the 'independent' group actually rose in the first twenty years from 1885 and remained above the 1885 level until the 1980s. The overall proportion of budget devoted to official salaries by the independents remains much higher than that of the Scottish Office kernel departments, at over 50 per cent as against about 2 per cent.

How are we to explain this difference between the two groups of Scottish bureaucracies over the century since 1885? Perhaps it is that the 'policy space' inhabited by the eighteenth-century bureaucracy did not include much room to expand. That is, agencies reflecting an eighteenth-century philosophy of government administration – that the implementation of public policy is a matter of enacting laws, and providing an apparatus of law courts to enforce them (plus a few bits of machinery for enumerating the population, registering land titles, guarding the nation's art treasures and so on) – have fewer inbuilt tendencies to expand (even as the nation grows larger or richer), than agencies reflecting the nineteenth-century administrative philosophy of providing a specialized bureaucracy for the self-conscious implementation of each succeeding policy.

Alternatively, perhaps the eighteenth-century bureaucracy was simply 'crowded out' of what might otherwise have been its natural expansion space by competition from the nineteenth-century group.⁽⁷⁾ (Hanham describes the opposition put up by successive Lords Advocate to proposals for creating a Scottish Office in the nineteenth century, and the eclipse of the Lord Advocate as a political potentate by the Scottish Secretary after the latter office had been created.) Or perhaps the different trajectories of growth displayed by the two groups of agencies reflects a general 'sclerosis' which is sometimes alleged to affect long-established organizations.⁽⁸⁾ Yet again, perhaps departments which spend the bulk of their budgets on the employment of bureaucrats (as is certainly the case with the Scottish independents) are inherently less likely to display growth over a long period, simply because growth is in staff, an unpopular form, than are 'money-moving' bureaucracies, which (we might suppose) attract a constituency of hopefuls and dependents who have reason to welcome expansion in budgets, without attracting the attention of the manpower-savers. These are but speculations, which cannot be examined further here.

III THE FOREGROUND : THE SCOTTISH OFFICE IN AN ERA OF RETRENCHMENT

From that very sketchy background of the development of the Scottish Office over a century, we move to the foreground of history. After nearly a century of bureaucratic growth, the Scottish Office from the middle 1970s faced a climate of sustained attempts at retrenchment in the public sector. Accordingly, in this section, we examine what changes have taken place in the Scottish Office in relation to the attempts to cut public spending since 1976 (from now on, we look at the Scottish Office only, excluding the 'independent' group). Has its place in the Whitehall 'pecking order' changed, and, to the extent that any real cuts have taken place, how have those cuts been accommodated in its own structure?

The Scottish Office in the Whitehall 'Pecking Order'

Kellas and Madgwick⁽⁹⁾ remark that the Scottish Office (together with the Welsh Office) is 'still obviously quite low in the Whitehall pecking order'; but they do not specify *how* low, nor whether it is moving up or down or constant, nor what 'league tables' they have in mind. Nor do they say how retrenchment might change the Scottish Office's ranking, although a climate of financial pressure is a good test of a bureaucratic pecking order, since marginal or peripheral departments are likely to suffer disproportionately from cutbacks as their fundamentally more powerful bureaucratic brethren seek to protect their own positions. A lightweight department may find itself classed as an administrative luxury, liable to suffer extra cuts during 'hard times'. Indeed, if the Scottish Office were that kind of lightweight, it might be in a particularly vulnerable position, since it shares bureaucratic 'turf' in many of its areas of operation with other UK or

GB departments.

Table 2 shows the position of the Scottish Office in four leagues over the past fifteen years or so, in relation to nine other major government departments which have been in existence in more or less unchanged form since 1971 (DHSS, DOE, MoD, Home Office, Welsh Office, MAFF, DES, Treasury, Department of Employment). The leagues are: share of total civil service staff, share of top staff (that is, posts graded at Under-Secretary level or above), share of total spending and the ranking of departmental Ministers in the Cabinet. Ranking the Scottish Office against a set of constant comparators screens out some of the short-term variations in its rank relative to *all* departments which derive from the waxing and waning of the less stable Whitehall empires such as the DTI group.

TABLE 2

Scottish Office Ranking relative to 9 other major Government Departments (1971-83)

Year	Cabinet Ranking	'Top' staff	Total staff	Gross actual spending
1971	7	n.a. ¹	7	5
1972	7	5	7	4
1973	7	4	7	4
1974	7	4	7	4
1975	8	4	7	4
1976	7	4	7	4
1977	5	4	7	4
1978	5	4	7	4
1979	5	4	7	4
1980	7	4	7	4
1981	7	4	7	4
1982	7	4	7	4
1983	6	4	7	n.a. ²

¹ No common grading structure for 'top' staff before 1972.

² Appropriation Accounts for 1983-4 not yet available at time of writing.

In fact, the Scottish Office's ranking in the Whitehall pecking order for these four leagues is not particularly low, nor has it fallen back during 'hard times'. Its position in three of the leagues is relatively stable: the ranking of the Scottish Secretary in the Cabinet is slightly more volatile, but no more so than that of many of the major departmental ministers. The department's position is high and stable in the league tables for top staff numbers ('brass') and for gross expenditure; at number four in both of

those leagues, it comes immediately behind the 'big three' bureaucratic giants in Whitehall (i.e. MoD, DHSS and DOE). Its place in the pecking order does not alter significantly in these leagues as between the period of overall government spending and staff growth in 1971-6 and the period of attempts at retrenchment from 1976 to 1984. It has held its position during hard times.

Another aspect of pecking order, but one which does not quite so readily lend itself to 'league tabling' after the manner of Table 2, is that of the social exclusivity of senior officials – their 'top drawer rating', as it were. On this factor, Scottish Office bosses (i.e. Permanent Secretaries and the heads of the six departments) do stand out as a group from the bosses of the thirty or so other major UK government departments over the period 1971 to 1984, in that noticeably fewer of the Scottish Office bosses came from a 'top-drawer' secondary education, as can be seen from Table 3. A minority of them attended private fee-paying schools as against a majority of the other UK departmental bosses; none of them attended either Clarendon schools (the nine most exclusive public schools in England) or their Scottish equivalents (which we took to be Gordonstoun, Fettes, Glenalmond, Strathallan and Merchiston Castle) as against a substantial minority of the other departmental heads. The proportion of those with an Oxbridge (undergraduate) university education is also much smaller among Scottish Office bosses than among other departmental bosses (but that conventional index of social status is perhaps ambiguous in this case, given that about half of Scottish Office bosses have a Scottish university background). Nor is there much sign of these characteristics changing over the past fifteen years, for either group.

How much should be built on this is doubtful. Scottish Office bosses do seem as a group to come from less exclusive social backgrounds than other major UK departmental bosses in general and in that sense might perhaps count as 'quite low in the Whitehall pecking order'. On the other hand, Scottish Office bosses as a group are not quite proletarian bureaucrats *à la* Lenin; like most elites in Britain, they are as a group 'male, middle-aged and middle-class' and disproportionately drawn from the higher-status academies rather than the general run of local authority schools. Moreover, their relative isolation from the old-boy-network of Oxbridge and Britain's top private schools has not apparently kept down the Scottish Office's position in the pecking orders shown in Table 3.

Structural Changes

Apart from considerations of 'pecking order', how far has the structure of the Scottish Office changed in an era of retrenchment, and in what

TABLE 3

Social Exclusivity : Scottish Office and other bosses, 1971-84

Scottish Office Permanent Secretaries and Departmental Heads compared to Permanent Secretaries and Departmental Heads of the 33 biggest Central Government Departments¹: Educational Background of those appointed between 1971 and 1984.

	Scottish Office 'bosses' %	Bosses of other departments %
Secondary Schooling:		
Private fee-paying schools ²	35.3	56.1
Non-fee-paying schools	53.0	36.4
University (undergraduate degree):		
Oxbridge	47.1 ³	65.4
Scottish universities	53.0	4.7

¹ This covers all major UK government departments, but excludes small registry offices, art galleries and museums etc. (i.e. small departments analogous to the Scottish 'independents').

² 'Private fee-paying schools' here means independent and Headmasters' Conference schools as listed in *Whitaker's Almanac*.

³ Scottish Office figure sums to more than 100 per cent because some Scottish Office bosses did undergraduate degrees at Oxbridge as well as at Scottish universities.

directions? We will briefly consider the effect of retrenchment on the Scottish Office in terms of five broad aspects of bureaucratic structure, namely

- specialists-to-generalists ratio
- Chiefs-to-Indians ratio
- ratio of 'core' to 'peripheral' operations
- blue-collar to white-collar ratio
- departmental shares of the cake *within* the Scottish Office

(a) **Specialists-to-generalists ratio.** Our earlier study showed the Scottish Office departments to be significantly different from other British government departments in terms of extent of specialism – as measured by a higher proportion of staff employed in special departmental grades and in

professional, technological and scientific grades, as against general administrative grades. We attributed this characteristic to a 'small country' or *multum in parvo* effect. We concluded that it reflected the administrative implications of delivering a similar standard of public services to a population which is small in relation to that of England and Wales or of the UK as a whole, in that it meant a *relatively* large number of discrete specialisms were required.

If that interpretation was correct, the *multum in parvo* effect should persist during retrenchment. Indeed, if the specialist-intensiveness of the Scottish Office departments does indeed reflect the irreducible minimum of central administrative specialists who are needed to deliver a complex range of modern public services, even in a small country, we would expect that the proportion of such specialists would tend if anything to *rise* as absolute staff numbers fall during a period of cutbacks. This expectation appears to be confirmed, in that the degree of relative specialism of the Scottish Office departments in the sense described above did increase a little from the mid-1970s to 1984: the proportion of 'specialists' in that sense to total staff (including prison staff) rose from just under 40 per cent in 1975 to nearly 50 per cent in 1984.

(b) Chiefs-to-Indians ratio. Another distinctive feature of the Scottish Office as a department which was revealed by our earlier study was a high proportion of staff in 'top' grades (i.e. Under-Secretary grade and above) and 'middle' grades (grades equivalent to Assistant Secretary to HEO inclusive), as against central government departments in general. To some extent, this characteristic, too, may reflect a 'small country' or *multum in parvo* effect (even a small ship needs a captain and officers) and also – perhaps more importantly – from the nature of the Scottish Office as a fairly 'policy-heavy' department working for Ministers who are 400 miles away for most of the time and who are obliged to take an interest in matters relating to Scottish affairs which go well beyond their formal administrative responsibilities. If this is a correct interpretation, we would expect this characteristic top- and middle-heaviness to persist during retrenchment, as with 'specialists', and we would be surprised to see proportionately heavier cuts in the upper as against the lower ranks.

Indeed, as applied to the 'specialists', we might expect the proportion of higher-paid staff to drift *upwards* in such circumstances. Those on the bureaucratic shop-floor or 'coal-face' often complain that it is they who suffer disproportionately from cutbacks, as against the middle and upper ranks. Policies relying on no (or limited) replacement of staff who leave to do the job of reducing staff numbers (instead of deliberately dismissing staff) often take their heaviest toll in the lower ranks, where natural turnover tends to be somewhat higher, and exceptions are almost invariably made to such policies in respect of the topmost posts.⁽¹⁰⁾

In general, some such effect does seem to have been at work in the Scottish Office. Excluding prison staff (who have been explicitly protected from civil service manpower cuts since 1979) and the staff of the state hospital at Carstairs, the proportion of Scottish Office staff in the 'middle' ranks (in the sense described above) rose a little between 1975 and 1983 from 32 per cent to 35 per cent, and those at the bottom (i.e. on grades equivalent to EO and below) fell back from 67 to 65 per cent of the total. The effect is very marked in DAFS and SED, where the proportion of 'middle' to 'bottom' staff changed by 5 per cent or more over this period, and it is less sharp but still noticeable for SHHD and Central Services. SDD tends to pull the overall average change down, because of its assumption of responsibility for managing ancient monument sites in Scotland from PSA in 1978, which brought in a large number of lower-graded staff. We will return to the position of the individual departments shortly.

In some ways, this overall tendency to increasing middle- heaviness may represent the 'rational bureaucratic' response to cuts (i.e. if you can't increase your absolute staff numbers, hire proportionately more staff in higher grades if you can). Moreover, it may be easier to follow such a pattern of cutbacks in the Scottish Office than in departments which have large numbers of individual clients to be served by counter staff in local branch offices, since the Scottish Office is in general centralized in Edinburgh. (By combining figures supplied in a House of Commons answer by Mr Hayhoe (HC Deb 31/10/83, c.186) with 1981 Scottish census data, it can be shown that staff numbers of other government departments operating in Scotland are much more closely correlated with population per hectare by local authority districts in Scotland ($r^2 = 0.78$) than are numbers of Scottish Office staff ($r^2 = 0.41$).)

(c) Ratio of 'Core' to 'Peripheral' Operations. It is sometimes said (for instance by Glennerster in Hood and Wright (1981), ch.8) that a climate of retrenchment will lead bureaucracies to attempt to protect what are deemed to be the core of their operations (for instance, full-time staff, headquarters apparatus) as against what may be deemed to be marginal or peripheral activities – grants or contracts to outsiders, trainees or part-timers, publicity and research, branch offices. If we follow the logic of that kind of argument, we might expect producer group pressures to lead to disproportionate cutbacks in payments to outside groups or institutions as against staff salary costs in a climate of retrenchment.

We noted in our earlier study that Scottish Office departments were significantly more 'money-moving' in their style of operation than the general run of Whitehall departments, in that they spent a smaller proportion of their budget on the salaries of their own staff and correspondingly more on other items such as grants and contracts – indeed, as was shown in Section II, this is a characteristic that the Scottish Office departments have shown in an increasingly marked degree over the past

century (and Whitehall in general has been moving in this direction for at least forty years). If the argument about pressures for 'protecting the bureaucratic core' has any force in this case, we might expect to see that historical trend going into reverse from the early 1970s to the early 1980s.

Table 1 above showed no real evidence for any such effect, in that the proportion of budget set aside for staff salaries of the 'kernel' Scottish Office departments was in fact fractionally smaller in 1984-5 than in 1975-6. Nor does the picture change greatly if we look at actual expenditure rather than budgeted amounts, on a year-by-year basis rather than at intervals of a decade, and exclude prison and other staff who have been protected from cutbacks since 1979. The proportion of actual expenditure by the Scottish Office going on staff salaries of the six core departments (excluding prisons, state hospital, etc.) did not in general rise over the period 1971-2 to 1982-3; in fact, it fell slightly, from 1.7 per cent in 1971-2 to 1.3 per cent in 1982-3. So it does not appear as if the bureaucratic core of the Scottish Office has positively been protected by eating into the proportion of its budget passed out to other groups: the proportions have remained more or less constant, however calculated.

'Protecting the core', however, is not only or necessarily to be equated with the protecting of staff salary budgets as against other spending. A maxim sometimes applied to bureaucratic responses to pressures for retrenchment is that 'when money is short, information is vulnerable', meaning that agencies cut down on promotional and research activities in order to protect the 'core' of their operations.

To the extent that any such effect can be observed for the Scottish Office, it would take an extremely keen eye to detect it. The sums budgeted for public relations spending by or on behalf of the Scottish Office did indeed drift down slightly as a proportion of total Scottish Office estimates over the decade 1971-2 to 1982-3⁽¹¹⁾, but the change is relatively small and, since only a tiny fraction of the Scottish Office's spending is officially counted as going on 'information' in this sense (much less than 1 per cent of total spending), not much could anyway be released for the relief of the 'core' by savings on this item. The same in general applies to Whitehall as a whole.

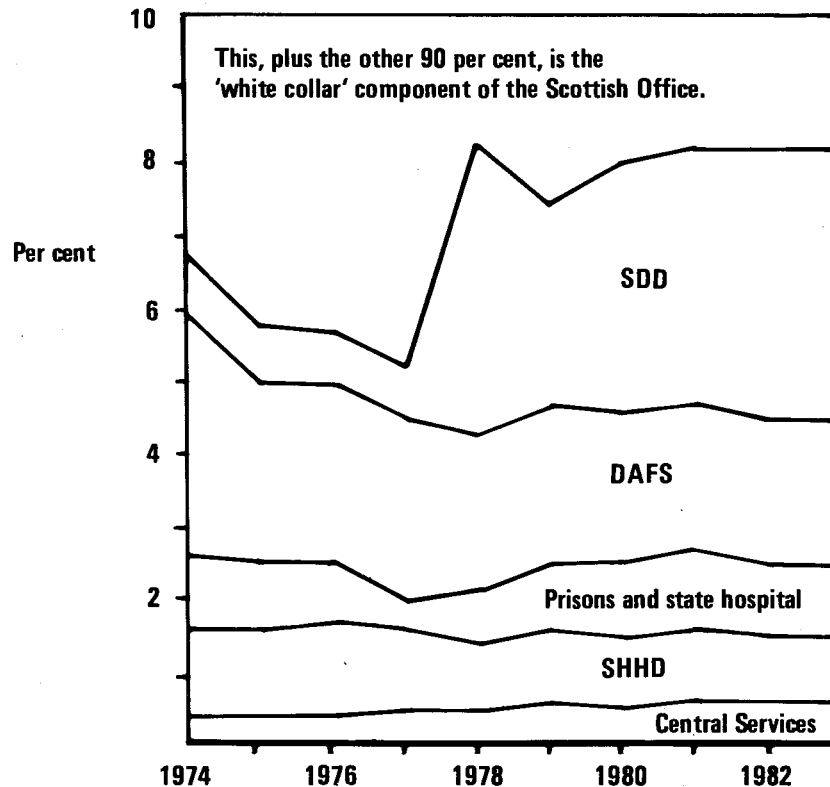
The picture for research and development expenditure appears to be broadly the same, from what published figures are available.⁽¹²⁾ That is, less than 1 per cent of Scottish Office expenditure goes into research and development as recorded in official statistics, and though R and D expenditure fell very slightly as a proportion of total Scottish Office spending between 1973/4 and 1981/2, pressure on other aspects of Scottish Office spending could hardly be stemmed by major cutbacks on this item alone: at most, it can only be a symbolic gesture.

One item of outside spending which *has* fallen noticeably as a proportion of total Scottish Office spending during retrenchment is rate support grant to local authorities. RSG (not including Housing Support Grant for this purpose) increased as a proportion of total Scottish Office spending during the 'years of expansion' in the early 1970s, rising from just under one-third in 1971-2 to over 40 per cent in 1975-6, but then fell back to just under one-third again in 1982-3. How clearly this fits the 'protecting the core' theory, however, is debatable, since (a) it might be argued that cutting local government spending was deliberate Cabinet policy at this time rather than discretionary behaviour by self-regarding bureaucrats; and (b) the proportion of Scottish Office spending 'lost' to local authorities over the period of retrenchment has not been appropriated in a correspondingly higher proportion of spending on the salaries of Scottish Office administrators: rather, it seems to have been redistributed into *other* types of 'outside' spending.

(d) Blue-collar to white-collar staff ratios. One feature which we might expect from a bureaucracy going through a period of retrenchment is the replacement of services once performed by specially-employed blue-collar staff (so-called 'industrial' civil servants) by services provided on contract by outside enterprises. Part of the general Whitehall story over recent decades (and certainly since 1976, as a response to pressures for staff cuts) has been a continuous thinning of the ranks of 'industrial' or blue-collar civil servants and their substitution by services provided on contract. In the middle 1950s there were four industrial civil servants for every six non-industrial or white-collar civil servants; by the 1980s, there was only one industrial civil servant for every five non-industrials.

However, the Scottish Office did not appear to follow this trend to anything like the same degree as its Whitehall counterparts in the 1970s and 1980s. Its blue-collar labour force in fact *increased* substantially between 1975 and 1983, both absolutely and as a proportion of total staff, as can be seen from Figure 2. As Figure 2 shows, the increase largely reflects the importation of responsibility for ancient monuments from PSA in 1978; but even since 1980, numbers of blue-collar staff have not been reduced by a greater proportion than numbers of white-collar staff. It is interesting to speculate on the reasons why the Scottish Office has not up to now followed the same path as its Whitehall counterparts in respect of laying off blue-collar workers. A possible explanation is that many industrial staff in the Scottish Office work (in fairly small numbers) in close conjunction with a variety of 'policy' or scientific establishments, or in tasks such as fishery patrols that are not readily 'contractable out' to private security enterprises, so that the only major substitution of contract work for the employment of blue-collar civil servants in the Scottish Office to date has been in the realm of contract cleaning.

FIGURE 2
'BLUE COLLAR' STAFF COMPONENT OF
SCOTTISH OFFICE DEPARTMENTS
Cumulative percentage share of Scottish
Office Total staff)

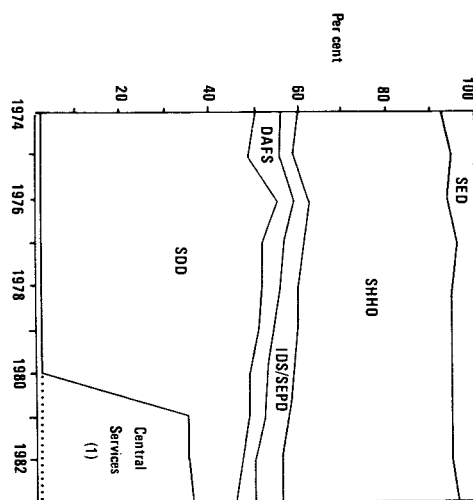


(e) Departmental Shares of the Cake – Proportionate Sacrifice or Selective Cuts? In contrast to the idea that public bureaucracies seek to protect their 'cores' by disproportionate cutbacks on types of activity deemed by producers to be 'peripheral' (a view for which not much evidence can readily be found in the case of the Scottish Office, with the possible exception of rate support grant) is the idea that cutbacks tend to be accommodated by strategies of 'equal misery'. It is often assumed that the reflex reaction of public bureaucracies towards pressures for retrenchment – at least in the first instance – is to distribute cutbacks equally among their component parts (cf. Hood and Wright, 1981). Each unit is called upon to produce the same percentage sacrifices in staff and budget, in order to avoid the delays and bitter in-fighting that may result from attempts to impose cuts in a selective fashion. So we might expect the long-term pattern of 'unbalanced growth' of the Scottish Office which was remarked upon in Section II (that is, the fact that its component parts have not grown in strict proportion to one another over the long term) to change into a pattern of strict proportionality during a period of retrenchment intended to keep the Scottish Office's total size constant or to make it smaller.

To a considerable extent, 'equal misery' in this sense does seem to have prevailed among the component departments of the Scottish Office during retrenchment. Figure 3 shows shares of total Scottish Office staff and budget for the individual departments over the period 1973-4 to 1982-3; and, as can be seen, none of the departments quite went from riches to rags relative to the others, or *vice-versa*.

Nevertheless, the picture is not one of *totally* 'equal misery'. The nearest to a riches-to-rags story is that of DAFS, whose share of total Scottish Office staff and spending slumped by 6 per cent and 3 per cent respectively over the period shown in Figure 3. The nearest to a rags-to-riches story is that of SHHD, whose share of Scottish Office spending rose by 7 per cent over the same period, while the share of total Scottish Office staff accounted for by SHHD's prison staff increased by over 5 per cent (though the staff of SHHD on its own fell back very slightly as a proportion of the Scottish Office total). No doubt if it were possible to disaggregate these figures into 'Home' and 'Health', it could be shown that SHHD's fortunes reflect in large part the decision of the Conservative government since 1979 to protect law and order activities from spending cutbacks, although the trend is observable before 1979, as can be seen from Figure 3.

Other changes in the intra-Scottish Office pecking order are harder to detect. However, three further points are perhaps worth noting about the behaviour of the separate departments within the Scottish Office group in response to pressures for retrenchment – differences in behaviour which can be masked by considering the Scottish Office as an aggregate unit. First, it is interesting to note that it is those departments which have slumped in the league *both* in staff and budget shares of the Scottish Office



(1) The rise reflects assumption of responsibility for rate support grant by CS from SDD; the dotted line shows CS's share exclusive of rate support grant

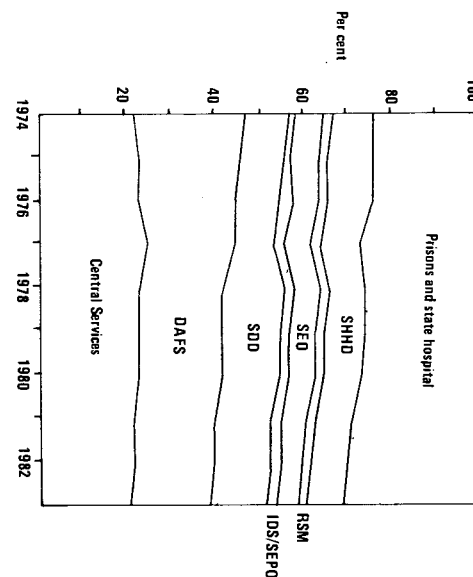


FIGURE 3 CUMULATIVE PERCENTAGE SHARES OF TOTAL SCOTTISH OFFICE STAFF AND SPENDING
(a) SPENDING
(b) STAFF

'cake' (that is, DAFS and SED) which have been the ones in which the greatest increase has taken place in the proportion of middle-grade to lower-grade staff. Changes in the proportion of staff by grade level for each of the six departments between 1975 and 1983 are summarized in Figure 4. Second, as is shown in Figure 5, DAFS and SED are also the only two departments in which the proportion of 'specialists' (in the sense described earlier) to general administrative staff increased over the five years 1979 to 1983. Clearly, it would be risky to build much on this, since the changes are slight and the picture is to some degree base-year-sensitive. But this perhaps points in the same direction as our earlier findings, in that it seems to be lower-grade, non-specialist staff who are exposed to proportionately greater cutbacks when the pressure is on for retrenchment.

Third, a point about blue-collar ratios. We noted earlier that the Scottish Office in aggregate has not apparently followed the general 'Whitehall' trend of cutting back disproportionately on blue-collar industrial staff as against white-collar staff as a means of getting overall staff numbers down. Does this reflect a common response among the four Scottish Office departments which employ blue-collar staff (CS, DAFS, SHHD, SDD)? To some extent, the aggregate Scottish Office figure reflects what has happened to SDD, which in 1978 imported large numbers of blue-collar staff from PSA in connection with its acquisition of responsibility for maintaining ancient monuments. But even if, to avoid that complication, we take the picture only from 1978 to 1983, there is little sign of change. Industrial staff did fall slightly in two of the departments involved (DAFS and SHHD) and rose slightly in the other two (CS and SDD). But the change was less than one and a half per cent in all cases, meaning that none of the four departments has vigorously pursued a retrenchment strategy of exposing blue-collar staff to disproportionate cuts. Figure 6 shows industrial staff in each department as a proportion of total Scottish Office industrial staff between 1974 and 1983. It seems possible that there is some general 'Scottish effect' (whether it be relating to the size of the country or to administrative culture) reflected in these relatively uniform responses, and not just an average concealing very different retrenchment strategies at departmental level.

IV SUMMARY AND CONCLUSION

Over the period considered here, the Scottish Office has moved from a background of nearly a century's growth to a foreground of nearly a decade's retrenchment. Pressure for curbing growth in the civil service had flattened the 'natural growth' curve described by the staff of the Scottish office from the 1880s to the mid-1970s. But the Scottish Office has apparently maintained its place in the pecking order relative to a group of other major departments on a number of indices. Perhaps this is because of its 'broad portfolio' of responsibilities, some of which have proved to be 'growth stocks' (prisons, law and order), to some degree offsetting losses in

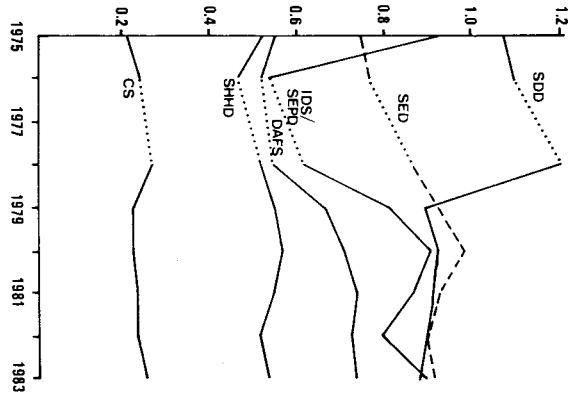


FIGURE 4
RATIO OF 'MIDDLE' TO 'BOTTOM' GRADES
IN MAIN SCOTTISH OFFICE DEPARTMENTS

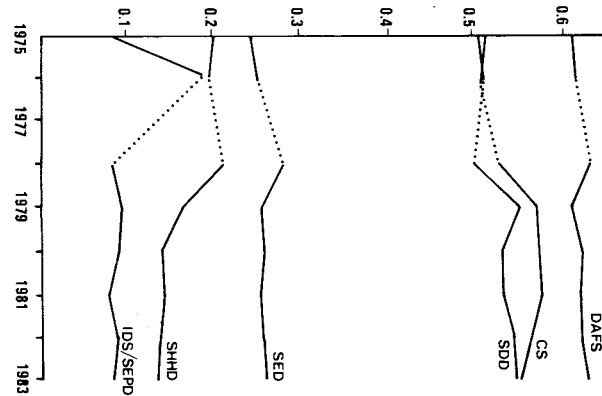
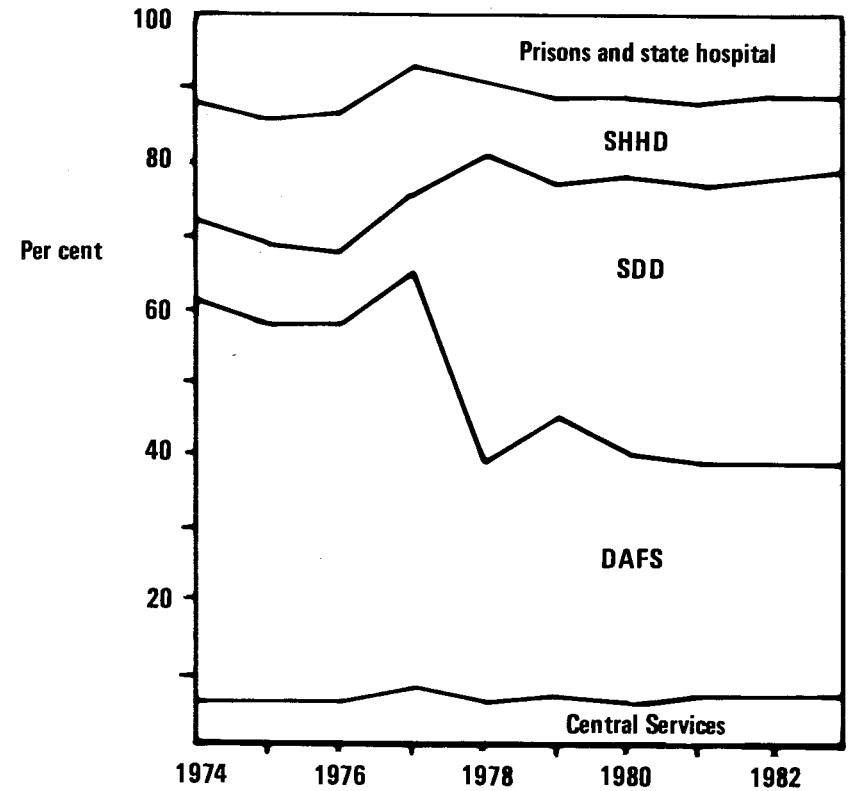


FIGURE 5
RATIO OF 'SPECIALISTS' TO ADMINISTRATION
GROUP OFFICIALS IN MAIN SCOTTISH OFFICE DEPARTMENTS

FIGURE 6
'BLUE COLLAR' STAFF COMPONENT
OF SCOTTISH OFFICE DEPARTMENTS
(Cumulative percentage share of Scottish
Office industrial staff)



other sectors of the portfolio during a period of overall attempts at retrenchment. Over the past decade or so the Scottish Office has retained distinctive characteristics such as a high proportion of staff in top and middle ranks, a high proportion of staff in 'specialist' grades and a high proportion of spending devoted to items other than the salaries of its own staff; indeed, some of these features appear to have become somewhat more marked under pressures for retrenchment.

To some extent, 'equal misery' seems to have prevailed among the Scottish Office's component departments during a period of cutbacks, though the fortunes and behaviour of the individual departments have not been completely identical. In general, though, the evidence of the extent to which producer group pressures (i.e. pressures reflecting the interest and convenience of producers rather than consumers of public services) have dominated the response to retrenchment is somewhat mixed and in some cases effects are hard to see, given that bureaucratic structures change slowly. Much depends on how much significance one is willing to read into relatively small changes in percentage shares, and this is unavoidable. A week may be a long time in politics; a decade or so is not necessarily very long in the life of a bureaucracy.

Might the growth in numbers of Scottish Office bureaucrats have levelled off in time, even without retrenchment, as the department reached some kind of natural limit either of maximum politically controllable size for a heterogeneous and top-heavy department or of major Scottish-related functions easily appropriable from other central departments? We cannot say. It is a common enough observation that bureaucracies tend to develop rapidly in their early years, then level off into a more sedate pace of change and place increasing emphasis on protecting what they have as against finding new worlds to conquer (Dowds 1967,⁽¹³⁾ goes so far as to propose this as a 'Law of Increasing Conservatism'). The Scottish Office, however, did not follow this pattern in exact or classical style – for instance, its staff numbers grew at a fairly constant, not a decreasing, rate for 90 years before levelling off, and its budgetary advances likewise continued over a very long period. Moreover, the fortunes of the Scottish 'independents', as described in Section II, seem to indicate that very long-established bureaucracies can grow vigorously late in their lives. We are thus doubtful if there are any infallible laws of bureaucratic development from which the future of the Scottish Office can be predicted.⁽¹⁴⁾ The only thing that can be said with certainty about the future is that it hasn't happened yet.⁽¹⁵⁾

This inquiry has been restricted to the readily measurable and countable aspects of Scottish Office administration. In future work, we hope to do a little more in the same vein, in developing some comparisons between the Scottish departments and central government departments more generally, in terms of responses to pressures for retrenchment. But we would be the first to admit that the approach taken here has its limits,

cannot easily get at the 'fine grain', and that many intangible or qualitative, but nevertheless important, aspects of bureaucratic change cannot be encompassed by it. Not all administrative analysis can be done 'by numbers', especially when the numbers are taken from 'unobtrusive' inquiry, as has been the case here. Even so, it is the only way of telling some parts of the story.

Notes and References

1. The term 'Scottish Office' is used here in the sense that it acquired after 1939, to denote the Scottish departments under the direct control of the Secretary of State (Royal Commission on Scottish Affairs Vol I *Memoranda Submitted to the Royal Commission by the Scottish Departments*, Edinburgh, HMSO 1953, p.65). The research on which this paper is based is funded by ESRC grant No. E00232018. We are grateful to HM Treasury and the Scottish Office for supplying us with some of the figures on which this analysis is based. We are also grateful to Bruno Frey, Keith Hartley, James Kellas, Charles Raab and two Scottish Office officials for comments on an earlier draft of this paper.
2. C.C. Hood, A. Dunsire and K.S. Thomson 'Comparing the Scottish Office with "Whitehall": A Quantitative Approach' *British Journal of Political Science*, 1979, Vol 9, (pp.257- 80). C.C. Hood, and A. Dunsire, *Bureaucratics*, Farnborough, Gower 1981, (pp.209-32).
3. This does not purport to be a general account of the history of the Scottish Office such as is given by Sir D. Milne, *The Scottish Office*, London, Allen and Unwin, 1957, or by J.G. Kellas, *Modern Scotland*, revised ed., London, Allen and Unwin 1979, (pp.88-113)
4. D. Milne *op.cit.* pp.19-20
5. J. Kellas *op.cit.* p.96
6. For this comparison, post office and telecommunications staff have been included with civil service staff throughout the period. Prior to World War II the figures used for comparison with the Scottish Office kernel departments' staff are Abramovitz and Eliasberg's figures for UK civil central government employment: M. Abramovitz and V.F. Eliasberg, *The Growth of Public Employment in Great Britain* Princeton, Princeton University Press 1957 (p.25, Table 1, and p.34, Table 2)
7. H.J. Hanham 'The Creation of the Scottish Office 1881-87' *Judicial Review* 1965 Vol 10 Part 3, (pp.243-4)
8. H. Kaufman, *Are Government Organizations Immortal?* Washington,

Brookings Institution 1976, (p.68)

9. J.G. Kellas and P. Madgwick 'Territorial Ministries: The Scottish and Welsh Offices' in P. Madgwick and R. Rose (eds) *The Territorial Dimension in United Kingdom Politics*, London, Macmillan 1982, (p.16)

10. C.C. Hood and M. Wright (eds.) *Big Government in Hard Times*, Oxford, Martin Robertson, 1981 (pp.208-217)

11. These figures are taken from tables which used to appear regularly in the Chief Secretary to the Treasury's Memorandum on the Supply Estimates, showing spending on information by major departments and also the sums budgeted by the Central Office of Information for information services to each department. The funding basis of the COI has now been changed, and comparable figures are not available for the most recent years.

12. These figures are based on summaries of departmental spending on research and development which appeared in *Economic Trends* July 1979, July 1980, August 1981, August 1982 and September 1983.

13. A. Downs, *Inside Bureaucracy*, New York, Wiley, 1967.

14. C. Pollitt, *Manipulating the Machine: Changing the Pattern of Ministerial Departments 1960-83*, London, Allen and Unwin, 1984, (pp.16-18)

15. S. Brittan 'The Future Hasn't Yet Happened' *Financial Times* 5.1.84